

ATTACHMENT B

Arizona Incentives

INCENTIVE NAME	Sponsoring Body	Incentive	Incentive Payout	Criteria
Job Training	State of Arizona	75% of training cost for new hires and 50% of cost for existing employees.	Amount allotted is based on average wage and number of jobs created. \$2,000 to \$6,000 per job for training. Cap at \$1.2 million/company	To be eligible company must pay into state unemployment insurance fund.
Private Activity Bonds	State of Arizona (pass thru \$ from Feds)	\$200-\$350 million in tax exempt IDA bonds.	\$10 million cap on bonds for manufacturing.	Applicants must first be approved by IDA Board. Lottery determination.
Enterprise Zone Tax Credits	State of Arizona Designation	Income tax credit of \$3000 per net new employee OR Property Tax Rate Reclassification	Over 3-year period for each employee \$500 year 1, \$1000 year 2, \$1500 year 3. Payment follows position. (35% number of net new employees must reside in enterprise zones). OR Primary portion of real property tax reduced to 5% from 20% for 5 years small or minority independently-owned business eligible only.	Enterprise Zone Designations in Maricopa County include W of Grand Ave, Phoenix, Chandler, and Tempe. Designation is based on poverty level and population.
Information Technology Training	State of Arizona	Up to \$1500 income tax credit per year up to \$30,000/yr	Credit for up to 20 employees in company.	Training (software or hardware training)
Research and Development Equipment	State of Arizona (pass thru from Feds)	Graduated Tax Credits	\$100,000 year 1, \$250,000 year 2, \$400,000 year 3, \$500,000 year 4 or more	Qualified research and development that is conducted in Arizona

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Increased Research and Development Credit	State of Arizona	Income tax credit for increased research activity.	Capped at \$2.5 million or \$500,000 plus 11% of expenses in excess of \$2.5 million	Increments determined from base year activity.
Foreign Trade Zone	Federal	80% reduction in real and personal property tax for companies that qualify for FTZ designation.	Typically attached to large companies that do large amounts of business internationally	Phoenix, Glendale, Chandler, Mesa, Buckeye

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